



U.S. Department of Justice

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October 24, 2005

EVENT: Guilty Verdict

Defendant: Sheila Allen

**TAX PREPARER FOUND GUILTY
OF MAKING FALSE CLAIMS AGAINST IRS**

A tax preparer from Detroit was found guilty on October 21, 2005 of making false claims to the federal government by a federal jury in Ann Arbor, United States Attorney Stephen J. Murphy announced today. Mr. Murphy was joined in the announcement by Special Agent in Charge Maurice Aouate, Internal Revenue Service Criminal Investigation.

Found guilty was Sheila Allen, 46, of Detroit.

The jury deliberated for about eight hours before returning the verdict, concluding a four-day trial before United States District Judge John Corbett O'Meara.

The evidence presented during the trial showed that between March 1999 to July 2001, 31 tax returns prepared by Sheila Allen were fraudulent. Specifically, Allen prepared tax returns for persons who had not worked during the calendar year claiming that these persons had income from non-existent businesses. She would then apply the earned income credit

which created a refund payable to the “taxpayer”. The false claims of refund averaged over \$2,000 per return.

Each charge carries a maximum sentence of five years imprisonment and a \$250,000 fine.

Sentencing of Allen is scheduled for February 21, 2006.

“This case clearly demonstrates my office’s commitment to aggressively prosecute any individuals who knowingly makes false claims against the IRS or any other agency of the United States government.” United States Attorney Murphy said. “Our tax system is based on the honesty of its citizen and it is imperative that legitimate tax payers know that we are doing everything we can to assure that their tax dollars are not being used to pay fraudulent claims”.

The case was investigated by agents of the Internal Revenue Service and prosecuted by Assistant United States Attorney Michael Leibson.